

Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107
Tel. (801) 262-4300
Fax (801) 262-4474

M/003/024

October 18, 2000

Mr. D. Wayne Hedberg
Permit Supervisor
Division of Oil, Gas, and Mining
P. O. Box 145801
Salt Lake City, Utah 84114-5801

re: Conditional Notice of Tentative Approval for Cotton Thomas Quarry; M/003/024,
Box Elder County, Utah.

Dear Wayne:

Lynn Kunzler spoke with me today concerning the reclamation surety estimate for the Cotton Thomas Quarry. Star Stone Quarries, Inc. acknowledges acceptance of the conditions for the Cotton Thomas Quarry set forth in the Division of Oil, Gas, and Mining letter dated September 19, 2000; with one exception.

A portion of the road identified as the Road from Klondike Gold is on land that has been sold to Ernie Ray Hale. The land that has been sold is the E $\frac{1}{2}$ SE $\frac{1}{4}$ Section 21, T14N, R17W SLB&M; and the N $\frac{1}{2}$ SW $\frac{1}{4}$ and SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 22, T14N R17W SLB&M. The road is identified in the Notice of Intention to Commence Large Mining Operations on Maps # 2, # 3, # 4, # 5, # 7, and # 8 in the color purple. Star Stone Quarries, Inc. does not believe they should be held responsible for reclamation on land which they no longer own. Mr. Hale should be contacting you concerning transfer of the land to his name.

After reclamation costs for the sold portion of the road are subtracted out from the reclamation surety estimate, there should be some reduction in the total surety estimate required for The Cotton Thomas Quarry.

Star Stone Quarries is diligently working with an insurance company to set up reclamation surety bonding instead of having to pay cash up front for a certificate of deposit. The paperwork associated with setting up the reclamation surety bonding is expected to be completed in the next two weeks. A favorable response from the insurance company will greatly lower up front cash costs for Star Stone Quarries. If the insurance company can keep their timetable for completing the paperwork, it should be completed about November 1.

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**DIVISION OF
OIL, GAS AND MINING**

Star Stone Quarries will get the reclamation surety bonding set up as soon as possible after the insurance company completes their work. We would like to get final approval of the Cotton Thomas NOI completed as much as you do.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lon Thomas", with a stylized flourish extending from the end.

Lon Thomas
President; Star Stone Quarries, Inc.